

MINERVA
FINANCIAL ARTS

COPING WITH COVID:
TIPS FROM THE INDIANA ARTS COMMISSION

March 25, 2020

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WHAT ARE WE DOING?

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MORE SPECIFICALLY, WE WILL:

REVIEW RELEVANT UPDATES
ANSWER SUBMITTED QUESTIONS
PROVIDE SUPPORT FOR EACH OTHER

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TELL ME ABOUT THE STIMULUS...

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TELL ME ABOUT THE STIMULUS...

Federal Aid through Legislation

- Deal reached earlier today (March 25)
- Expected to be voted on by the Senate today (March 25)
- Would still need to be voted on by the House and signed into law by the White House

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TELL ME ABOUT THE STIMULUS...

Federal Aid through Legislation

- What we think we know:
 - \$2 trillion in support overall
 - Expanded unemployment benefits: 39 weeks instead of 26, increased weekly support
 - Individual support: \$1,200 in support to individuals whose AGI is less than \$75k
 - Small business support: loans and loan guarantees

Key Point:

AGI is adjusted gross income from Line 7 of your 2018 Form 1040.

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TELL ME ABOUT THE STIMULUS...

Key Points:

This is great! But hold your horses.

Track down your 2018 tax return.

Explore individual benefits and small business benefits (since creatives are often both).

Stay tuned.

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DOES UNEMPLOYMENT APPLY TO ME?

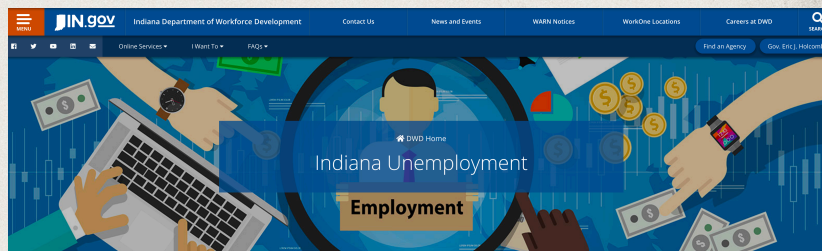
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DOES UNEMPLOYMENT APPLY TO ME?

Indiana Department of Workforce Development



Indiana's FAQ: https://www.in.gov/dwd/files/Indiana_Unemployment_FAQ.pdf

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DOES UNEMPLOYMENT APPLY TO ME?

Unemployment for Self-Employed

- General rule: Does not apply to self-employed individuals
- Senate bill creates new program: **Pandemic Unemployment Assistance** that *does* apply to self-employed.
- Extra info:
 - Unemployment benefits are taxable, FYI.
 - A good starting point: <https://www.usa.gov/unemployment>

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DOES UNEMPLOYMENT APPLY TO ME?

Disaster Unemployment Assistance

- General rule: Federal program for those unemployed by “Presidentially declared major disaster”
- Applies (generally) to self-employed individuals
- Lots of advocates for this to happen
- Extra info:
 - A good starting point: <https://www.benefits.gov/benefit/597>

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DOES UNEMPLOYMENT APPLY TO ME?

Key Points:

If you had a W-2 job, then unemployment is probably an option (and it may be higher than normal).

The Pandemic Unemployment Assistance may apply to you. Stay tuned for more information.

The Disaster Unemployment Assistance may apply to you. Stay tuned for more information.

Be patient.

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HOW CAN I MAKE MORE MONEY?

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HOW CAN I MAKE MORE MONEY?



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HOW CAN I MAKE MORE MONEY?

Make More Money

- Maintaining W-2 jobs
- Adapting services
 - Online music lessons
 - Online concerts
 - Writing groups for out-of-school kids
 - Online dance classes
 - Art “tutoring”
- Asking for help
 - Patreon / supporters

Key Point:

If you are making automatic contributions to a retirement account through your W-2 job, think about pausing those.

Ditto for automatic withdraws like commuting benefits.

Key Point:

This is why community engagement matters!

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HOW CAN I ELIMINATE EXPENSES?

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PLANNING FOR A (FINANCIAL) PANDEMIC

Eliminate Expenses

- Cut all non-essential expenses
 - Look at your spending data from recent months to see what is cut-able.
- Ask for flexibility
 - Landlord
 - Utilities
 - Loans (student loans, bank loans, credit cards)

Key Points:

Some expenses will naturally go down (social, commuting).

Watch for automatic expenses you can pause.

Stay in touch with lenders so this won't impact your credit.
→ Document, document, and then document more.

Do the math.

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IS THERE EMERGENCY SUPPORT FOR ARTISTS?

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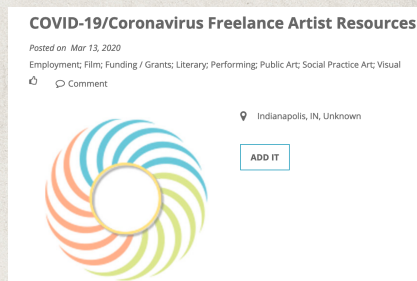
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IS THERE EMERGENCY SUPPORT FOR ARTISTS?

Emergency Grants

- Some national superstars: CERF+, Joan Mitchell Foundation, NYFA, Tremaine Foundation, Alliance of Artists Communities, Artist Relief Tree
- Some local superstars: IAC
 - Arts Council of Indianapolis
 - #IndyKeepsCreating



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IS THERE EMERGENCY SUPPORT FOR ARTISTS?

Loans

- Small Business Administration (SBA)
- Loans up to \$25,000 at 3.75% (2.75% for non-profits)

Coronavirus (COVID-19)

SBA Disaster Assistance in Response to the Coronavirus

Content

[Areas eligible for SBA disaster loans](#)
[Apply for a loan with SBA](#)

For more info:

<https://www.sba.gov/disaster-assistance/coronavirus-covid-19>

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WHAT ABOUT TAXES?

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WHAT ABOUT TAXES?

Federal Taxes

- IRS extended tax filing deadline to July 15
 - Applies to filing return and paying any taxes owed without penalties or interest
 - Not clear if applies to IRA contributions for 2019
 - For more info: <https://www.irs.gov/newsroom/tax-day-now-july-15-treasury-irs-extend-filing-deadline-and-federal-tax-payments-regardless-of-amount-owed>

Key Point

If you are owed a refund file now.

Go ahead and prepare and file your taxes for 2019 (if you haven't already) so you can get back to work when this ends. Pay before the deadline, but not now if money is tight.

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WHAT ABOUT TAXES?

State Taxes (and Cities Too)

- Not all states have extended!
- Indiana has extended *some* returns:
 - Individual tax returns extended to July 15
 - Estimated tax payments due April 15 now due July 15
 - Corporate tax returns extended to July 15
 - Returns due May 15 are now due August 15
- AICPA's Ongoing Resource:
<https://www.aicpa.org/content/dam/aicpa/advocacy/tax/downloadabledocuments/coronavirus-state-filing-relief.pdf>

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HOW DO I KNOW WHAT I HAVE LOST?

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HOW DO I KNOW WHAT I HAVE LOST?

Worksheet

This is just a guideline... Follow the rules for whatever you are applying for.

(And yes, there are different rules and guidelines for unemployment, stimulus payments, and emergency grants.)

COPING WITH COVID: ESTIMATING LOSSES IN CREATIVE BUSINESSES

Known Cancellations
Confirmed gigs/workshops/performances/shows that were canceled
<i>List the amount you would have gotten paid for each event (including tips if that's part of your business)</i>
Lost Opportunities
Events where you normally earn something that is not guaranteed
<i>Estimate lost revenue based on your own history (and make sure it is grounded in reality)</i>
Sunk Costs
<i>Calculate amounts you spent that cannot be refunded. Don't count credits that you'll be able to use</i>

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HOW DO I KNOW WHAT I HAVE LOST?

Known Cancelations

Confirmed gigs/workshops/performances/shows that were canceled

Examples of Known Cancelations

Musician A is booked to play a show at a club. A normally earns a flat fee of \$250 for the show.

Musician B is booked to play a show at a club. B splits the door with the club and normally earns \$375, plus another \$50 in tips.

Teaching Artist C leads a weekly workshop at a community center. C is paid \$75 per workshop. Workshops have been suspended for March and April.

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HOW DO I KNOW WHAT I HAVE LOST?

Lost Opportunities

Events where you normally earn something that is not guaranteed

Examples of Lost Opportunities

Artist D had planned to participate in an arts festival. In previous years, D usually earned between \$1,300 and \$1,500 in sales from similar festivals.

Crafter E sells work online. Each month, E earns between \$1,000 and \$1,400 in sales. This month, E has only made two sales totaling \$150.

Dancer F was invited to participate in a showcase that could lead to future opportunities to perform and/or choreograph work. The showcase was canceled.

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How Do I Know What I Have Lost?

Sunk Costs

Amounts you spent that cannot be refunded

Examples of Sunk Costs

Designer G invested \$3,000 in a website redesign that was scheduled to launch March 17.

Crafter H produced cute inventory for a St. Patrick's Day festival that is now useless. H spent \$800 on the merchandise.

Performer J had booked a trip to Atlanta that was canceled. J had nonrefundable airfare (\$300) and pre-paid lodging (\$200).

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RECAP:

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MORE IMPORTANT RECAP:

IT'S GOING TO BE OKAY.

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